Defence Purchase Policy - 2008

503. SHRI JESUDASU SEELAM:
DR. T. SUBBARAMI REDDY:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that India is expected to by defence equipment and weapons system worth 30 billion dollars in the next five years;

(b) whether Government has unveiled its updated decision for procurement procedure for two years in May, 2008; and

(c) if so, what are main feature of the Defence Purchase Policy and to what extent it will be different from then at present and to what extent it will be more fair and to what extent it has been successful?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) No decision on the outlay of defence acquisition during Eleventh Five Year plan period has been taken.

While promulgating Defence Procurement Procedure (DPP) 2006, it was envisaged that review of the procurement procedure would be undertaken every two years. The DPP-2008 is the outcome of the experience and feedback gained in implementation of DPP-2006. DPP-2008 has come into effect from 1.9.2008. The revised procedure aims to strengthen the procurement framework by making it more transparent, impartial and accountable.

Some salient features of the DPP-2008 to ensure fairness/transparency in the procurement of defence equipment, *inter alia*, are as given below:

(i) Vendors have to be given advance information before the issue of Request for Proposal (RFP) in all procurement cases excepting those for security sensitive products. This information given on MOD website would provide them a lead time for preparation of their offers in response to the RFP.

(ii) All verbal communications with the vendors during the course of trials have to be confirmed in writing.

(iii) The result of technical/trial evaluations along with reason(s) for disqualifications has also to be intimated to vendors after the acceptance of technical/staff evaluation reports.

(iv) A trial methodology has to be given in the RFP for advance information of the vendors. Trial directive framed by the Services has to be issued in conformity with the trial methodology.

(v) A more broad-based and multi-disciplinary trial team has been proposed in DPP-2008 for cases where equipment is being procured for more than one Service or if it involves Transfer of Technology.

(vi) Technical Oversight Committee has also been mandated to provide oversight on the adopted trial methodology during trials *vis-a-vis* trial methodology given in the RFP and the trial directives.

Indo-US defence deal

504. DR. T. SUBBARAMI REDDY: Will the Minister of DEFENCE be pleased to state: